
U.S. Textile Industry Urges WTO to Address Textile Crisis at Its October 1 Council on Goods Meeting

September 28, 2004

GENEVA, SWITZERLAND – U.S. textile industry trade association executives on Tuesday urged the World Trade Organization (WTO) to comprehensively address the crisis associated with the impending worldwide expiration of quotas on textile and clothing products on January 1, 2005.

“We would like to extend our gratitude to the governments of Mauritius, Madagascar and Uganda for placing the textile and clothing quota expiration issue on the formal agenda at the October 1 WTO Council on Goods meeting. Today, we met with WTO representatives from over a dozen countries and it is clear that there is now widespread agreement among governments that concrete actions must be taken. We now believe WTO will begin to have a meaningful debate concerning the dire economic implications associated with the phaseout of textile and clothing quotas,” said National Council of Textile Organizations (NCTO) President Cass Johnson. American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo commented, “The meeting scheduled for Friday will test the ability of the WTO to address the economic needs of a supermajority of its members. If it sweeps the quota phaseout issue under the rug, it will demonstrate a potentially fatal inability to deal with the most pressing trade issues of the day. If a constructive dialogue is started that can lead to a solution to the textile crisis in the future, the WTO will gain considerable standing in the world community.”

“Textile and clothing manufacturing is one of the most important sectors in the world economy. There are 700,000 workers in the United States, 2.7 million in Europe and untold millions across the globe gainfully employed in textile and clothing manufacturing. Textile and clothing products alone account for 20 percent or more of total exports from 24 different countries. If, as some predict, China captures 75 percent U.S. market share and 50 percent world market share after quotas expire, 30 million workers worldwide could see their jobs disappear to China. While the loss of over 500,000 textile and clothing manufacturing jobs in the United States would be extraordinarily painful, a similar scale job loss in developing countries would be catastrophic – especially considering that their economies have no other jobs in which to translate dislocated workers,” said Ziya Sukun of ITKIB USA.

Concluded Cass Johnson, “The impending prospect of crippling jobs losses is why the U.S. textile industry previously announced its intention to file threat-based special textile China safeguard petitions in early October. We hope the U.S. government will approve these petitions in a timely manner. We also would encourage other countries to implement their safeguards until the WTO can come up with a solution to the

textile crisis that will prevent one or two countries from monopolizing the world market.”

In other news, the Global Alliance for Fair Trade in Textiles and Clothing met in Geneva on Tuesday. GAFTT announced that it would be releasing a press statement and holding a press conference at 9:30 AM in Geneva on Wednesday. Trade association executives from five different continents are expected to call to the WTO to address market disruption threatening to impede the orderly development of world textile and clothing trade.

Quotas on all textile and clothing products are scheduled to expire on January 1, 2005.

In the clothing categories released from quota in January 2002, China exploded from 9 percent market share in 2001 to 72 percent market share as of March 2004.

The United States imported more than \$77 billion worth of textile and clothing products under the MFA in 2003. Of that total, approximately \$60 billion was in categories where quotas are scheduled to expire in 2005.

Approximately 33.4 percent of U.S. textile and apparel manufacturing jobs (349,800) have been lost since 2001. 696,500 U.S. textile and apparel manufacturing jobs still remain.

CONTACTS:

AMTAC – Lloyd Wood, Dir. of Media Relations

(202) 452-0866 or lwood@amtac.org

NCTO – Robert DuPree, Vice President

(202) 756-1440 or rfdupree@ncto.org

ITKIB – Ziya Sukun, Executive Director

(212) 398 6241 or zsukun@itkibusa.org